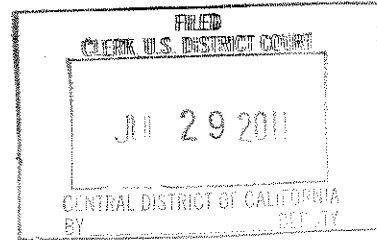


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8 **Attorneys for Relators**

9 **IN THE UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 **[UNDER SEAL]**

12
13 **Relators,**

14
15 **v.**

16 **[UNDER SEAL],**

17
18
19 **Defendant.**
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Case No. **CV 11-06273 DDP (PJWx)**

**COMPLAINT FOR DAMAGES, WITH
DEMAND FOR JURY TRIAL**

**TO BE FILED UNDER SEAL PURSUANT TO
31 U.S.C. § 3730**

DO NOT ENTER INTO PACER

DO NOT PLACE IN PRESS BOX

1
2
3 UNITED STATES OF AMERICA
4 ex rel. Kathy Hinkle-Allin, Joel
5 Kostman, Jere Thrasher, and Fatima
6 Mejia,

7 Relators,

8
9 v.

10
11 ONTARIO HEALTH EDUCATION
12 COMPANY, INC., a California
13 corporation; WEST COAST
14 UNIVERSITY, INC., a California
15 corporation; CATALYSIS
16 LEARNING ALLIANCE, INC., a
17 Delaware corporation; and DOES 1
18 through 500, inclusive,

19
20 Defendants.
21
22
23
24
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27
28

Case No. _____

**COMPLAINT FOR DAMAGES,
WITH DEMAND FOR JURY
TRIAL:**

**(1) Knowingly False Statements to
Get a False or Fraudulent Claim
Paid or Approved, in Violation of
the False Claims Act, 31 U.S.C. §
3729(a)(1);**

**(2) Knowingly False Records or
Statements to Get a False or
Fraudulent Claim Paid or
Approved in Violation of the
False Claims Act, 31 U.S.C. §
3729(a)(2).**

**TO BE FILED
UNDER SEAL PURSUANT
TO 31 U.S.C. § 3730**

DO NOT ENTER INTO PACER

DO NOT PLACE IN PRESS BOX

1 Plaintiffs and Relators Kathy Hinkle-Allin, Joel Kostman, Jere Thrasher, and
2 Fatima Mejia, allege as follows:

3 **I. Introduction**

4 1. This is an action to recover damages and civil penalties on behalf of
5 the United States of America arising out of false claims approved and presented by
6 Defendants to obtain more than \$73,000,000 annually from the United States
7 Department of Education ("DOE") pursuant to the Higher Education Act, Title IV
8 ("HEA"), from at least July 2005, continually through the present. Defendants,
9 Ontario Health Education Company, Inc. ("OHEC"), West Coast University, Inc.
10 ("West Coast") and, their parent corporation, Catalysis Learning Alliance, Inc.
11 ("Catalysis") are the recipients of HEA federal student financial aid funds from the
12 United States Department of Education. In requesting and receiving more than
13 \$73,000,000 annually, Defendants falsely represent every year that they are in
14 compliance with the DOE's regulations governing schools that receive Title IV
15 funds and that they are in compliance with the rules and regulations of the
16 Accrediting Commissions of Career Schools and Colleges ("ACCSC") and the
17 Accrediting Bureau of Health Education Schools ("ABHES").

18 2. Defendants had, and continue to have, actual knowledge that they are
19 not adhering to the rules and regulations of the HEA, the ABHES, and the ACCSC
20 and that their representations of adherence were and are false, and that they
21 therefore were and are submitting false or fraudulent representations of compliance.
22 Alternatively, Defendants act and acted with deliberate indifference and/or reckless
23 disregard as to the truth or falsity of the claims. Relators assert causes of action
24 under the False Claims Act for submission of a knowingly false or fraudulent claim
25 for payment or approval, and knowingly false records or statements to get a false or
26 fraudulent claim paid or approved, in violation of 31 U.S.C. § 3729(a)(1) and (2).

27 **II. Jurisdiction and Venue**

28 3. This is an action brought pursuant to the False Claims Act, 31 U.S.C.

1 §§ 3729, et seq., and subject matter jurisdiction is invoked pursuant to 28 U.S.C. §
2 1331. This case arises from the wrongful conduct of the Defendants incident to
3 obtaining funds from the United States of Department of Education pursuant to the
4 Higher Education Act, Title IV.

5
6 4. This Court has in personam jurisdiction over the Defendants under 31
7 U.S.C. § 3732(a), which authorizes nationwide service of process.

8 5. 31 U.S.C. § 3732(a) provides “Any action under section 3730 may be
9 brought in any judicial district in which the Defendant or, in the case of multiple
10 Defendants, any one Defendant, can be found, resides, transact business, or in
11 which any proscribed by section 3729 occurred.” Venue is proper in the Central
12 District of California because Defendants maintain and operate campuses within the
13 District.

14 **III. Plaintiffs**

15 6. *Qui Tam* Plaintiffs Kathy Hinkle-Allin, Joel Kostman, Jere Thrasher,
16 and Fatima Mejia are all citizens of the United States of America and are residents
17 of Los Angeles and Orange Counties, in the State of California. At various points
18 in time from 2007 through 2010, plaintiffs, Kathy Hinkle-Allin, Joel Kostman, Jere
19 Thrasher, were employees of defendants. From 2006 through 2008, plaintiff,
20 Fatima Mejia was a student enrolled at one of the defendant’s campuses. *Qui Tam*
21 Plaintiffs bring this action on behalf the United States of America.

22 7. As required under the False Claims Act, 31 U.S.C. § 3730(a)(2),
23 Relators, simultaneously with the filing of this Complaint, provided to the United
24 States Attorney for the Central District of California a statement of all material
25 evidence and information related to this Complaint. This disclosure statement
26 supports the existence of “submission of a knowingly false or fraudulent claim for
27 payment or approval,” under the False Claims Act (31 U.S.C. § 3729(a)(1)).

28 8. The United States of America is here named a plaintiff because funds

1 of the United States of America ("Federal funds") were and are awarded to
2 defendants, pursuant to the HEA, Title IV, as a result of the false claims alleged in
3 this Complaint.

4 **IV. Defendants**

5 9. Defendant Ontario Health Education Company, Inc. ("OHEC"), is a
6 California corporation that is authorized to do business within the state of
7 California. Defendant West Coast University, Inc. ("West Coast"), is a California
8 corporation that is authorized to do business within the state of California.
9 Defendant Catalysis Learning Alliance, Inc. ("Catalysis"), is a Delaware
10 corporation that is authorized to do business within the state of California.
11 Defendant Catalysis is the parent company of Defendants OHEC and West Coast.
12 OHEC and West Coast are private, for-profit higher education institutions
13 providing educational programs for working adult students. The defendants
14 maintain multiple campuses in Los Angeles, Orange County, and San Bernardino
15 Counties and enroll approximately 8,000 students at these campuses each year. The
16 defendants offer programs to train students in various careers in the healthcare
17 industry such as vocational nursing, massage therapy, and ultrasound technology.
18 Virtually all of the students who attend the defendants' schools pay their tuition
19 through federally subsidized loans and grants.

20 10. Relators are unaware of the true names and capacities of the
21 Defendants sued as Does 1 through 500. Plaintiffs will amend their complaint
22 when the true names and capacities have been ascertained. Each Doe Defendant is
23 responsible in some actionable manner for the events, occurrences, injuries and
24 damages alleged herein.

25 11. The terms "Defendants" will refer collectively to the aforesaid
26 Defendants acting by and through their managerial employees, and each of them.

27 12. Managerial employees of the Defendants, in doing the acts and things
28 described in this complaint, were acting within the course and scope of their

1 respective agencies and/or employment with the Defendants, and each of them,
2 with the knowledge and consent of the Defendants, and each of them, unless
3 otherwise indicated.

4 **V. Specific False Claims and Fraudulent Statements**

5 **A. Summary of the Fraudulent Conduct**

6 13. The United States Government awards approximately \$6 billion a year
7 to help students obtain their educations at colleges and vocation schools. The
8 federal funds, however do not go to the students. Instead, the educational
9 institution requests the funds of the United States Department of Education or a
10 third party intermediary lender. The United States Government or the lender wires
11 the funds directly into the institutions' accounts. The institutions then credit their
12 students for tuition.

13 14. In order to ensure that schools receiving federal funds are actually
14 providing an appropriate and beneficial education to students, the DOE requires
15 schools to enter into a Program Participation Agreements ("PPA"). In the PPA
16 executed by defendants, they certify that they will comply with numerous
17 regulations governing Title IV schools and that they will comply with all
18 requirements put forth by its nationally recognized accrediting agency. The
19 regulations that are relevant here are as follows:

- 20 a. Schools must evaluate students on a regular basis to ensure they
21 are mastering the material being taught and will be qualified to
22 obtain employment in the field for which they are trained. (34
23 CFR 668.16(e); ACCSC Substantive Standards Section VII);
- 24 b. Schools must maintain "retention, licensing, or employment
25 rates" of 70% or higher (ABHES Accrediting Standards Ch. 3,
26 Section C; 34 C.F.R. Section 668.8(e); ACCSC Substantive
27 Standards Section IV(B)(1));
- 28 c. Schools must have in place "a system to assist with the

1 successful initial employment of its graduates.”

- 2 d. Schools must maintain data concerning graduates who obtain
3 employment. For self employed graduates the school must
4 maintain appropriate evidence of employment and for non-self
5 employed graduates, a written verification from an employer.
6 (ABHES Accrediting Standards IV.B.2.h and IV.I.6.c.).
- 7 e. Schools must maintain “written standards of satisfactory
8 academic progress for all students . . . and these standards are
9 consistently applied to all students . . . regardless of financial aid
10 status.” (Appendix B; para 1 to ABHES Accrediting
11 Standards);
- 12 f. Schools may only provide certificates of completion to students
13 who have demonstrated achievement and the knowledge, skill
14 and competencies required by the program objectives. (ACCSC
15 Substantive Standards Section VII(A)(13)(h));
- 16 g. For each program offered at the school, it must establish “an
17 advisory board . . comprised of a minimum of one community
18 representative (e.g. employers, extern supervisors) not employed
19 by the institution.” The board must convene twice each year to
20 address “such topics as the institution's mission and objectives,
21 curriculum, and student, graduate and employer comments.”
22 Minutes must be prepared of these meetings. (ABHES
23 Accrediting Standards IV.B.2.d);
- 24 h. Schools should refrain from disseminating any misleading or
25 erroneous advertising to students. (ABHES Accrediting
26 Standards IV.F.1.a.; ACCSC Substantive Standards Section
27 IV(A)(5));
- 28 i. With respect to in-person recruiting, schools must provide

- 1 students with accurate information concerning potential salary
2 and employment. (ABHES Accrediting Standards IV.F.2.a;
3 ACCSC Substantive Standards Section IV(A)(9));
- 4 j. For purposes of accepting students, “reasonable assurances are
5 made that applicants' qualifications and background are
6 compatible with institutional and curricular objects to ensure the
7 likelihood of student success.” (ACCSC Substantive Standards
8 Section V);
- 9 k. Prior to enrollment schools must disclose “any material
10 circumstances that may adversely impact a student’s ability to
11 benefit from the educational program (e.g. credentialing
12 prerequisites)”. (ABHES Accrediting Standards IV.F.6);
- 13 l. The curriculum of a program must “reflect current standards of
14 practice in the industry and are designed to provide students
15 with relevant information essential for their attainment of
16 knowledge and skills.” (ABHES Accrediting Standards
17 IV.H.1.e);
- 18 m. Schools must provide examinations and other evaluative
19 techniques to “adequately assess the achievement of stated
20 objectives, competencies and curriculum goals.” (ABHES
21 Accrediting Standards IV.I.1.a.);
- 22 n. “Externships are available for all enrolled students. . . . Students
23 should not wait for externships and back-up sites should be
24 available to ensure that there is no significant break in the
25 educational process.” (ABHES Accrediting Standards
26 IV.I.4.a.);
- 27 o. Staff at schools are “responsible for ensuring oversight and
28 evaluation of students while on externship or external clinical

1 experiences and is in regular contact with sites. Documented
 2 reports are obtained from the externship site supervisory person
 3 involved, reviewed by faculty or the program supervisor for
 4 completeness, and is retained by the institution.” (ABHES
 5 Accrediting Standards IV.I.4.b);

6 p. For specific programs that are accredited by ABHES, schools
 7 must provide a minimum number of extern hours for the
 8 accredited program. (See ABHES Accrediting Standards
 9 VI.A.1.d.)\

10 q. For certain programs that are accredited by ABHES, such as
 11 surgical technology, schools are required to conduct a market
 12 survey annually to justify student enrollment. The survey must
 13 demonstrate that the program “admits students at a rate
 14 consistent with the community demand for employment and the
 15 availability of clinical externship sites in the field. The school’s
 16 admission practices must “ensure a reasonable opportunity for
 17 graduates to become employed in the field.” (ABHES
 18 Accrediting Standards VIII.A.1).

19 15. The defendants flagrantly violates these rules by:

- 20 a) Encouraging admissions representatives to enroll students it knows
 21 are unqualified;
- 22 b) Encouraging admissions representatives to lie about the likelihood
 23 of obtaining employment following graduation and the potential
 24 salaries they will receive;
- 25 c) Encouraging admissions representatives to make false and
 26 misleading statements about the quality of the education the
 27 students will receive and the availability of clinical sites to train
 28 those students;

- d) Failing to properly evaluate students on a regular basis after they have been enrolled in a class;
- e) Graduating students who have failed to master the coursework of the class being taught;
- f) Intentionally providing false and misleading information to their accrediting bodies about the schools' placement rates;
- g) Intentionally providing false information to their accrediting bodies about the availability of clinical sites in order to get approval to start new programs;
- h) Intentionally falsifying the number of clinical hours received by students enrolled in their programs;
- i) Intentionally providing false and misleading information to their accrediting bodies about their passage rates on credentialing exams for certain programs;
- j) Starting new programs even though the school knew there was insufficient support in the medical community to find employment for graduates from those new programs;
- k) Intentionally failing to convene Advisory Boards for certain programs and then falsifying documents presented to their accrediting bodies concerning the existence of these boards;

The defendants are fully aware of the illegality of their conduct. At many points in time, Relators have complained to management about the issues outlined above yet no action has been taken.

B. The Defendants' False Certifications of Compliance to the Government, Required by Law for Eligibility to Receive the Federal Funds.

16. Educational institutions request Title IV funds for eligible students through several programs, including the Federal Pell Grant Program ("Pell"), the Federal Supplemental Education Opportunity Grant Program ("FSEOG"), the

1 Federal Perkins Loan Program (“Perkins”) and the Federal Family Education Loan
2 Program (“FFELP”).

3 17. For an educational institution to be eligible to receive these Title IV
4 grant funds, the federal statutes and regulations require the institution to certify to
5 the United States Government in a Program Participation Agreement that the
6 institution will comply with regulations promulgated by the DOE and the standards
7 of accreditation put forth by the ACCSC and the ABHES. HEA, Sec. 487(a) and
8 (a)(20); 34 C.F.R. Sec. 668.14(a)(1) and (b)(22)). This certification is a core
9 prerequisite for an institution’s eligibility to request and receive Title IV funds.

10 18. An educational institution is ineligible to receive Title IV funds
11 without a Program Participation Agreement and without first obtaining
12 accreditation from a nationally recognized accrediting agency. The Agreement
13 conditions the initial and continued participation of an eligible institution in any
14 Title IV, HEA program. The Agreement expressly states, in bold print:

15 The execution of this Agreement by the Institute and the
16 Secretary is a prerequisite to the Institution’s initial or
continued participation in any Title IV, HEA Program.

17 19. The Agreement’s first paragraph furthermore provides that the
18 institution’s participation in the Title IV program is “subject to the terms and
19 conditions of this Agreement.”

20 20. In the Agreement, the educational institute certifies that the school will
21 “meet the requirements established pursuant to Part H of Title IV of the HEA by
22 the Secretary, State authorized bodies, and nationally recognized accrediting
23 agencies.”

24 21. Educational institutions violating the terms of their Agreement must
25 return the Title IV funds, along with interest and special costs incurred by the DOE.
26 For example, University of La Verne was directed to refund \$6,528,981 FFELP
27 funds and \$395,730 in Pell funds. On December 13, 2001, Benedictine University
28 was directed to return \$25,521 Pell funds, \$183,407 FFELP funds, and \$13,060

1 FSEOG funds. On September 4, 2002, Southern Wesleyan University was directed
2 to return \$18,346,658 FFELP funds, \$1,079,565 Pell funds, \$21,400 FSEOP funds,
3 and \$3,500 Perkins funds.

4 22. The defendants, in requesting and receiving more than \$73,000,000 a
5 year in Title IV funds, falsely certify to the DOE compliance with the DOE
6 Regulations and the regulations of the ACCSC and BHES in the Agreement it
7 submits annually to the DOE. As a result, the defendants falsely induce the
8 Government to approve and/or pay out the Title IV funds, based on their false
9 promises to comply with the appropriate regulations. The promises when made are
10 false. Upon making their promises and certification, the defendants knowingly
11 engage in the illegal conduct described herein.

12 **C. Defendants' Claims for the Federal Government Funds**

13 23. Upon entering the Program Participation Agreement with the United
14 States Secretary of Education, the defendants are eligible to request the Title IV
15 funds from the United States Secretary of Education (for Pell Grant funds) or from
16 third party lenders (for governmental-insured loans).

17 24. For Pell Grant funds, the defendants submit a request for those funds
18 directly to the Secretary of the United States Department of Education. The request
19 for funds is not a student application but a request prepared and transmitted by
20 defendants to the Secretary of the United States Department of Education, stating
21 the requested amount of funds. The United States Department of Education
22 transfers the Pell Grant funds electronically directly into an account held by
23 defendants. Upon receiving the Pell Grant Funds, the defendants credit various
24 students for tuition paid. Students do not request or receive a dime of the Pell
25 Grant funds.

26 25. The defendants' claims for Pell Grant funds are fraudulent. When the
27 defendants request, receive and retain the Pell Grant funds, they know they are
28 ineligible for those funds because of their intentional violations of the Higher

1 Education Act as described herein. The defendants know that compliance with the
2 Higher Education Act funding statutes are a core prerequisite for an institution's
3 eligibility to request and receive Title IV funds.

4 26. For government-insured loans, including the FFELP, the defendants
5 submit the request for those funds directly to a private lender. The defendants;
6 request for government-insured loan funds, arrange, managed and prepared by
7 defendants, includes a student application that *contains an express certification by*
8 *defendants that the student is an eligible student under the Title IV program.* The
9 claim for government-insured loans *must* include this certification. The defendants
10 know that this claim for funds is false because they know their students are *not*
11 eligible under the Title IV program due to their violations of the HEA. *Only*
12 students at eligible Title IV schools may receive credit for Title IV government-
13 insured loan funds disbursed by private lenders to educational institutions. The
14 defendants' fraudulent violations of the HEA and the rules of the ACCSC and
15 ABHES make them ineligible educational institutions to request and disburse Title
16 IV funds, and thus its students are ineligible under the Title IV program. The
17 lender, typically a bank, transfers the government-insured loan funds directly into
18 one of the defendants' accounts. Upon receiving the government-insured loan
19 funds, the defendants credit various students for tuition paid.

20 27. The defendants' claim for the government-insured loan funds is
21 fraudulent. When the defendants request, receive and retain the government-
22 insured loan funds, they know they are ineligible for those funds because of their
23 intentional violations of the HEA and the rules of the ACCSC and ABHES. The
24 defendants know that compliance with the Higher Education Act and the rules of
25 the ACCSC and ABHES are core prerequisites for an institution's eligibility to
26 request and receive Title IV funds.

27 28. The United States Government pays all interest on the government-
28 insured loans while the students are enrolled in classes and during authorized grace

1 periods. The loans are guaranteed by state agencies or non-profit organizations
 2 (called “guarantee agencies”), and are subsidized and reinsured by the United States
 3 Department of Education. If a student defaults, the guarantee agency reimburses
 4 the lender. If the guarantee agency cannot collect from the student, the Department
 5 of Education reimburses the agency.

6 29. The United States Department of Education monitors loan defaults of
 7 post-secondary schools and calculates a “cohort default rate” every year for
 8 defendants. The Department of Education calculates the loss to the United States
 9 Government relying upon this rate.

10 **First Cause of Action**

11 **Knowingly False Statements to Get a False or Fraudulent Claim Paid or** 12 **Approved, in Violation of the False Claims Act, 31 U.S.C. § 3729(a)(1)**

13 30. Plaintiffs re-allege, and fully incorporate herein by reference,
 14 paragraphs 1 through 29 herein.

15 31. In performing all of the acts set out herein, Defendants defrauded the
 16 United States of America by knowingly presenting, or causing to be presented, to
 17 one or more officers, employees or agents of the United States of America, a false
 18 and fraudulent claim for payment or approval in contravention of the False Claims
 19 Act (31 U.S.C. § 3729(a)(3)), to the damage of the treasury of the United States of
 20 America, by causing the United States to pay out money it was not obligated to pay.

21 32. Relators estimate that, as a proximate result of Defendants’ conduct
 22 described herein, the amount of damages sustained by the United States of America
 23 is in excess of \$300 million from June 2005, through the present.

24 **Second Cause of Action**

25 **Knowingly False Records or Statements to Get a False or Fraudulent Claim** 26 **Paid or Approved, in Violation of the False Claims Act, 31 U.S.C. § 3729(a)(2)**

27 33. Plaintiffs re-allege, and fully incorporate herein by reference,
 28 paragraphs 1 through 32 herein.

34. By virtue of the acts described above, Defendants have knowingly made, used or caused to be made or used, a false record or statement to get false or fraudulent claim paid or approved by the United States of America, in contravention of the False Claims Action (31 U.S.C. § 3729(a)(2)), to the damage of the treasury of the United States of America, by causing it to pay out money it was not obligated to pay.

35. Relators estimate that, as a proximate result of Defendants' conduct described herein, the amount of damages sustained by the United States of America is in excess of \$300 million from June 2005, through the present.

Prayer for Relief

WHEREFORE, Plaintiffs request the following relief:

1. Judgment in favor of the United States of America against Defendants, jointly and severally, by reasons of the violations of the False Claims Act as set forth above, in an amount equal to three times the amount of damages the United States has sustained because of Defendants' actions, plus a civil penalty of not less than Five Thousand Dollars (\$5,000.00) and not more than Ten Thousand Dollars (\$10,000.00), for each violation, plus three times the amount of damages which the United States Government has sustained, pursuant to 31 U.S.C. § 3729(a);

2. Award to Relators, as the *Qui Tam* plaintiffs, of the maximum amount allowed pursuant to 31 U.S.C. § 3730(d) of the Federal False Claims Act on the United States' recovery;

3. Award to Relators of all reasonable expenses which the Court finds to have been necessarily incurred, plus reasonable attorneys' fees and costs;

4. Punitive damages on all causes of action, to the extent allowed by law;
and

5. Such other and further relief as the Court deems proper.

Demand for Jury Trial

Plaintiffs demand a trial by jury, pursuant to FRCP 38.

Dated: 7-21-11

KERSHAW, CUTTER & RATNOFF LLP

By


STUART C. TALLEY

**Attorneys for Relators,
*Kathy Hinkle-Allin, Joel Kostman, Jere
Thrasher, and Fatima Mejia,***

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) UNITED STATES OF AMERICA ex rel. Kathy Hinkle-Allin, Joel Kostman, Jere Thrasher, and Fatima Mejia		DEFENDANTS ONTARIO HEALTH EDUCATION COMPANY, INC., a California corporation; WEST COAST UNIVERSITY, INC., a California corporation; CATALYSIS LEARNING ALLIANCE, INC., a Delaware corporation	
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Stuart C. Talley, Kershaw, Cutter & Ratnoff LLP 401 Watt Avenue, Sacramento, CA 95864 (916) 448-9800		Attorneys (If Known)	

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;">Citizen of This State</td> <td style="width:33%; border: none;">PTF DEF <input type="checkbox"/> 1 <input type="checkbox"/> 1</td> <td style="width:33%; border: none;">Incorporated or Principal Place of Business in this State</td> <td style="width:33%; border: none;">PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4</td> </tr> <tr> <td style="border: none;">Citizen of Another State</td> <td style="border: none;"><input type="checkbox"/> 2 <input type="checkbox"/> 2</td> <td style="border: none;">Incorporated and Principal Place of Business in Another State</td> <td style="border: none;"><input type="checkbox"/> 5 <input type="checkbox"/> 5</td> </tr> <tr> <td style="border: none;">Citizen or Subject of a Foreign Country</td> <td style="border: none;"><input type="checkbox"/> 3 <input type="checkbox"/> 3</td> <td style="border: none;">Foreign Nation</td> <td style="border: none;"><input type="checkbox"/> 6 <input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF DEF <input type="checkbox"/> 1 <input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2 <input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5 <input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6										

IV. ORIGIN (Place an X in one box only.)
☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify): _____
 ☐ 6 Multi-District Litigation
 ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)
CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No
 MONEY DEMANDED IN COMPLAINT: \$ _____

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 False Claims Act, 31 U.S.C. § 3729

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety /Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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CV11-06273

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes

If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.

☒ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.

☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Ontario Health Education Company, Inc., Orange County; West Coast University, Inc., Orange County; and Catalysis Learning Alliance, Inc., Orange County.	

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles; Orange; San Bernardino	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____ Date 7/26/11

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Dean D. Pregerson and the assigned discovery Magistrate Judge is Patrick J. Walsh.

The case number on all documents filed with the Court should read as follows:

CV11- 6273 DDP (PJWx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

AUG 01 2011